



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Great Plains Regional Office
115 Fourth Avenue S.E., Suite 400
Aberdeen, South Dakota 57401



IN REPLY REFER TO:

DESCRM

MC-208

MAR 01 2012

MEMORANDUM

TO: Superintendent, Fort Berthold Agency

FROM: *ACTING* Regional Director, Great Plains Region

SUBJECT: Environmental Assessment Addendum and Finding of No Significant Impact

In compliance with the regulations of the National Environmental Policy Act (NEPA) of 1969, as amended, an Addendum has been completed and a Finding of No Significant Impact (FONSI) has been issued. The addendum authorizes land use for installation of gathering pipelines within the access road corridor surveyed in and addressed in previous approved Environmental Assessments.

All the necessary requirements of the National Environmental Policy Act have been completed. Attached for your files is a copy of the EA Addendum, FONSI and Notice of Availability. The Council on Environmental Quality (CEQ) regulations require that there be a public notice of availability of the (40 C.F.R. Section 1506.6(b)). Please post the attached notice of availability at the Agency and Tribal buildings for 30 days.

If you have any questions, please call Marilyn Bercier, Regional Environmental Scientist, Division of Environment, Safety and Cultural Resources Management, at (605) 226-7656.

Attachment

cc: Tex Hall, Chairman, Three Affiliated Tribes (with attachment)
Elgin Crows Breast, Tribal Historic Preservation Officer (with attachment)
Derek Enderud, BLM, Dickinson, ND (with attachment)
Grady Wolf, SWCA (with attachment)
Jonathon Shelman, Corps of Engineers
Jeff Hunt, Fort Berthold Agency

Finding of No Significant Impact

QEP Energy Company (QEP)

Addendum to:

Seven QEP Energy Company Environmental Assessments for Drilling Exploratory Wells on the Fort Berthold Reservation:

- August 2010 Environmental Assessment for Drilling of MHA 2-01-02H-149-91, MHA 2-07-18H-149-90, and MHA 1-01-02H-149-91 Exploratory Oil and Gas Wells. **(FONSI issued August 30, 2010)**
- August 2010 Environmental Assessment for Drilling of MHA 1-33-34H-150-91, MHA 1-32-29H-150-91, MHA 1-04-03H-149-91 and MHA 1-35-36H-149-91 Exploratory Oil and Gas Wells. **(FONSI issued September 2, 2010)**
- December 2010 Environmental Assessment for Drilling of MHA 2-05-06H-149-90, MHA 3-05-06H-149-90, MHA 1-11-14H-149-90, and MHA 2-10-15H-149-90 Exploratory Oil and Gas Wells. **(FONSI issued December 16, 2010)**
- February 2011 Environmental Assessment for Drilling of MHA 1-05-06H-149-90, MHA 3-05-06H-149-90, MHA 1-09-16H-149-90, MHA 3-09-16H-149-90, MHA 1-04-03H-149-90 and MHA 3-04-03H-149-90 Oil & Gas Wells. **(FONSI issued March 2, 2011)**
- August 2011 Environmental Assessment for Drilling of MHA 2-04-03H-149-91 and MHA 4-04-03H-149-91 Oil and Gas Wells on the Independence 4 Well Pad, MHA 3-06-01H-149-92 and MHA 4-06-01H-149-92 Oil and Gas Wells on the Independence 6 Well Pad, and MHA 2-32-29H-150-91 and MHA 4-32-29H-150-91 Oil and Gas Wells on the Independence 32 Well Pad. **(FONSI issued August 16, 2011)**
- August 2011 Environmental Assessment for Drilling of MHA 1-05-04H-148-91, MHA 3-05-04H-148-91, MHA 2-05-04H-148-91, and MHA 4-05-04H-148-91 Oil & Gas Wells. **(FONSI issued August 25, 2011)**

Fort Berthold Indian Reservation Dunn and McLean County, North Dakota

The U.S. Bureau of Indian Affairs (BIA) has received a proposal for an addendum to the above referenced Environmental Assessments (EA). The proposal is to include the installation of gas pipelines within the access road corridor surveyed during the on-site and addressed in the previous EA's. This modifies the following statement in the previous EA's under the commercial production section: "The installation of gas-gathering or transport equipment is not included as part of the proposed project. Installation of systems to gather and market gas produced from these wells would require additional analysis under NEPA and BIA approval". Gas pipelines would be installed adjacent to oil and/or water pipelines and utilities which acquired previous NEPA approval within the access road corridor previously surveyed.


The previously authorized well pads and access roads are proposed to remain in the same location. Associated federal actions by BIA include determinations of impacts and effects regarding environmental resources and positive recommendations to the Bureau of Land Management regarding the Applications for Permit to Drill.

The potential of the proposed action to impact the human environment is analyzed in the following Environmental Assessment (EA), as required by the National Environmental Policy Act. Based on the EA, I have determined that the proposed project will not significantly affect the quality of the human or natural environment. No Environmental Impact Statement is required for any portion of the proposed activities.

This determination is based on the following factors:

1. Agency and public involvement solicited for the preceding NEPA document was sufficient to ascertain potential environmental concerns associated with the currently proposed project.
2. Protective and prudent measures were designed to minimize impacts to air, water, soil, vegetation, wetlands, wildlife, public safety, water resources, and cultural resources. The remaining potential for impacts was disclosed for both the proposed action and the No Action alternatives.
3. Guidance from the U.S. Fish and Wildlife Service has been fully considered regarding wildlife impacts, particularly in regard to threatened or endangered species. This guidance includes the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.) (MBTA), the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321 et seq.) (NEPA), the Bald and Golden Eagle Protection Act (16 U.S.C. 668-668d, 54 Stat. 250) (BGEPA), Executive Order 13186 "Responsibilities of Federal Agencies to Protect Migratory Birds", and the Endangered Species Act (16 U.S.C. 1531 et seq.) (ESA).
4. The proposed action is designed to avoid adverse effects to historic, archaeological, cultural and traditional properties, sites and practices. Compliance with the procedures of the National Historic Preservation Act is complete.
5. Environmental justice was fully considered.
6. Cumulative effects to the environment are either mitigated or minimal.
7. No regulatory requirements have been waived or require compensatory mitigation measures.
8. The proposed project will improve the socio-economic condition of the affected Indian community.

ACTING


Regional Director

5-1-2012
Date

ENVIRONMENTAL ASSESSMENT

Addendum

United States Bureau of Indian Affairs

Great Plains Regional Office
Aberdeen, South Dakota



QEP Energy Company

Addendum to:

August 2010 Environmental Assessment for Drilling of MHA 2-01-02H-149-91, MHA 2-07-18H-149-90, and MHA 1-01-02H-149-91 Exploratory Oil and Gas Wells.

August 2010 Environmental Assessment for Drilling of MHA 1-33-34H-150-91, MHA 1-32-29H-150-91, MHA 1-04-03H-149-91 and MHA 1-35-36H-149-91 Exploratory Oil and Gas Wells.

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August 2011 Environmental Assessment for Drilling of MHA 1-05-04H-148-91, MHA 3-05-04H-148-91, MHA 2-05-04H-148-91, and MHA 4-05-04H-148-91 Oil & Gas Wells.

Fort Berthold Indian Reservation

February 2012

For information contact:

*Bureau of Indian Affairs, Great Plains Regional Office
Division of Environment, Safety and Cultural Resources
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Aberdeen, South Dakota 57401
605-226-7656*

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1 PURPOSE AND NEED FOR THE PROPOSED ACTION

QEP Energy Company (QEP) proposes to authorize the construction of gas pipelines within the access road corridors addressed in previous EA's that have obtained FONSI approval under the National Environmental Policy Act (NEPA) of 1969, as amended located in Dunn and McLean County on the Fort Berthold Indian Reservation. The new gas pipelines would be located on tribal lands. These pipelines are proposed to tie in to the existing well pads in sections 4, 6 & 35, T149N, R91W; section 5, T148N, R91W; sections 5, 6, & 11, T149N, R90W; and sections 32 & 33, T150N, R91W.

The purpose of the proposed action is to allow QEP to install the proposed pipelines to transport gas from the previously approved wells to a central gathering facility for further transport to markets. Installation of the proposed pipelines would further support important benefits associated with oil and gas development to the Three Affiliated Tribes. It would also aid in providing individual members of the tribes with needed employment and income.

Installation of the proposed pipelines would reduce waste of valuable resources associated with continued flaring of produced gas. Please refer to *Figure 1, Project Location Map*.

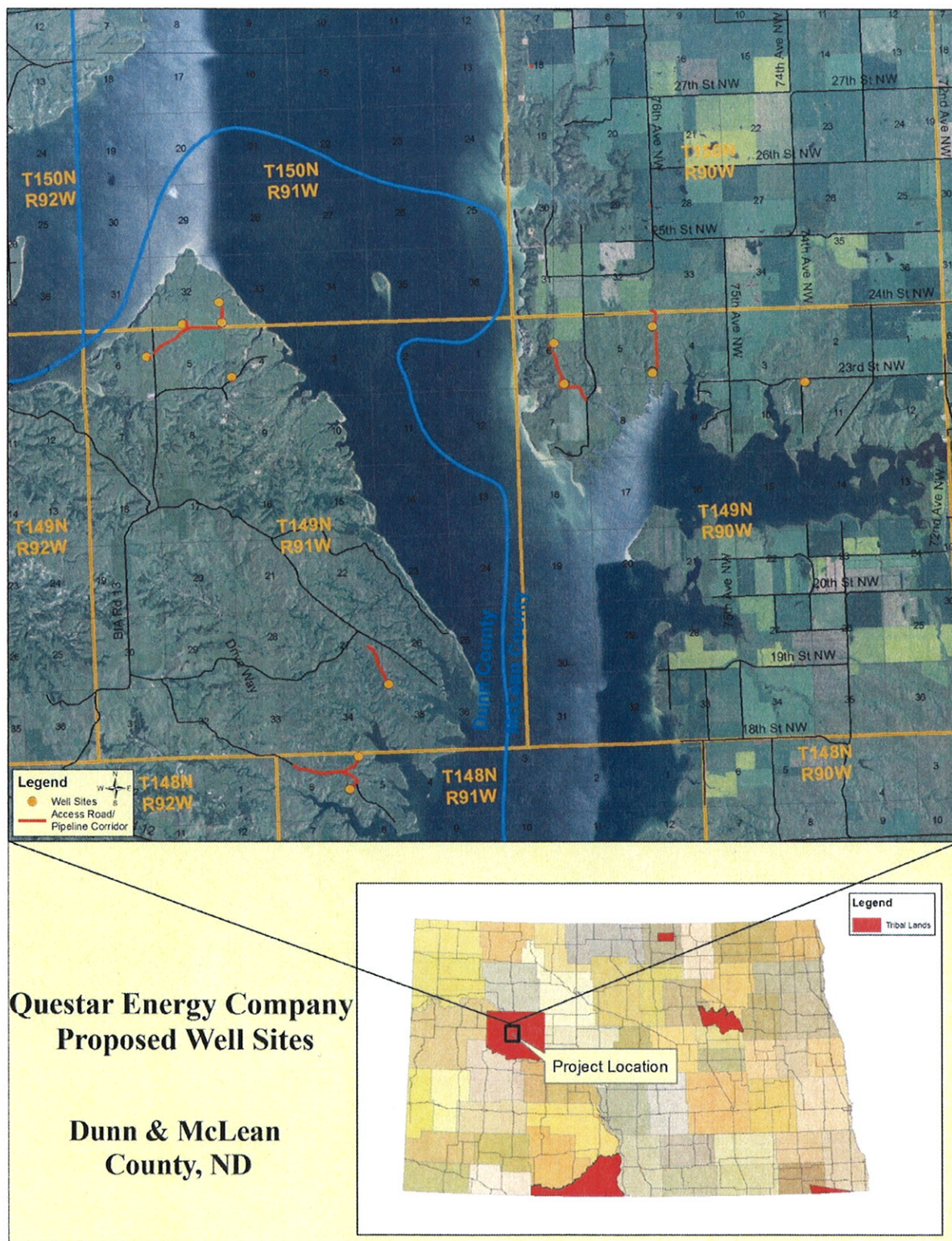


Figure 1, Project Location Map

2 **AUTHORITIES**

Oil and gas exploration and development activities are conducted under authority of the Indian Mineral Leasing Act of 1938 (25 United States Code [USC] 396a, et seq.), the Indian Mineral Development Act of 1982 (25 USC 2101, et seq.), and the Energy Policy Act of 2005 (42 USC 15801, et seq.).

3 **LEGAL LAND DESCRIPTION OF PROPOSED ACTION**

The proposed gas pipelines would be located in Dunn and McLean County, North Dakota, in the following locations:

- T149N, R91W, Section 4, 5, 6 & 35 (Dunn County)
- T148N, R91W, Section 5 & 6 (Dunn County)
- T149N, R90W, Section 4, 5, 6, 7 & 11 (McLean County)
- T150N, R91W, Section 32 & 33 (Dunn County)

The access roads, pipelines and utilities would follow the same road alignment as was previously proposed and authorized for the proposed wells.

4 **SCOPE OF WORK FOR PROPOSED ACTION**

The proposed action includes authorization by the BIA to allow for installation of gas lines within the previously surveyed access road corridor. Installation of all additional utilities including but not limited to oil and water pipelines, electrical lines, communication lines and above or below ground appurtenances were previously cleared through the EA's referenced in this document.

As current estimates expect the Bakken field to remain active for 30 to 40 years, it is important that pipeline systems are designed to perform for this period of time. Pipelines, if designed effectively and well maintained, may have an indefinite life expectancy. The pipeline company would purchase steel pipe that is rated as API 5L X52 and would inspect all pipe while at the mill to ensure quality. The pipeline company would ensure that external epoxy coating is applied to a minimum thickness of 14 millimeters.

During construction, all welds are visually inspected for quality and completeness by qualified professionals. Once welds have passed visual inspection, they are subjected to 100 percent Non Destructive Testing. After passing these tests, the weld areas are covered for corrosion protection. After the weld areas have been covered, the external coating of the pipe is inspected using a

jeepmeter to detect holes and cracks. The pipe is lowered into the trench and buried. Prior to being put into service, the steel pipe is hydrotested to approximately 1.5 times the minimum design pressure of 1,180 pounds per square inch gauge (psig).

If construction is to occur during winter, the pipeline company would partially fill the trench with useable, non-frozen, back-fill soil to the extent possible. The trench would be back-filled and topsoil distributed as soon as practicable after the soil has defrosted. Topsoil piles would be covered to eliminate the potential for rill erosion and subsequent loss of soil during spring snow melt and precipitation events.

Reclamation of the pipeline corridor would occur within 6 months after construction. If conditions prevent reclamation activities or seed germination, the pipeline company would spread and crimp straw for ground cover to minimize erosion. Additional reclamation activities would occur throughout the life of the pipeline, due to routine maintenance or addition of infrastructure.

5 APPLICABLE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) DOCUMENTS

The following NEPA documents have been previously approved by BIA for the proposed action:

- August 2010 Environmental Assessment for Drilling of MHA 2-01-02H-149-91, MHA 2-07-18H-149-90, and MHA 1-01-02H-149-91 Exploratory Oil and Gas Wells. (The EA FONSI was August 30, 2010)
- August 2010 Environmental Assessment for Drilling of MHA 1-33-34H-150-91, MHA 1-32-29H-150-91, MHA 1-04-03H-149-91 and MHA 1-35-36H-149-91 Exploratory Oil and Gas Wells. (The EA FONSI was September 2, 2010)
- December 2010 Environmental Assessment for Drilling of MHA 2-05-06H-149-90, MHA 3-05-06H-149-90, MHA 1-11-14H-149-90, and MHA 2-10-15H-149-90 Exploratory Oil and Gas Wells. (The EA FONSI was December 16, 2010)
- February 2011 Environmental Assessment for Drilling of MHA 1-05-06H-149-90, MHA 3-05-06H-149-90, MHA 1-09-16H-149-90, MHA 3-09-16H-149-90, MHA 1-04-03H-149-90 and MHA 3-04-03H-149-90 Oil & Gas Wells. (The EA FONSI was March 2, 2011)
- August 2011 Environmental Assessment for Drilling of MHA 2-04-03H-149-91 and MHA 4-04-03H-149-91 Oil and Gas Wells on the Independence 4 Well Pad, MHA 3-06-01H-149-92 and MHA 4-06-01H-149-92 Oil and Gas Wells on the Independence 6 Well Pad, and MHA 2-32-29H-150-91 and MHA 4-32-29H-150-91 Oil and Gas Wells on the Independence 32 Well Pad. (The EA FONSI was August 16, 2011)
- August 2011 Environmental Assessment for Drilling of MHA 1-05-04H-148-91, MHA 3-05-04H-148-91, MHA 2-05-04H-148-91, and MHA 4-05-04H-148-91 Oil & Gas Wells. (The EA FONSI was August 25, 2011)

6 ASSESSMENT OF ENVIRONMENTAL IMPACTS

The following discussion addresses environmental and social impacts as a result of installation of the gas pipelines within the surveyed access road corridors. Impacts are only discussed if the expansion of the project has changed the impact assessment reflected in the previously approved EAs, or to note why the impact assessment has not changed.

A. Air Quality

Equipment associated with construction of the proposed gas lines would burn fossil fuels causing a temporary, minor impact on air quality. Gas produced at the proposed wells would currently be flared at the sites under the original NEPA clearances. The proposed project would collect gas from the sites and transport it to markets for use. The proposed project would have a minor temporary impact due to construction activities; however, would provide a long term beneficial impact on air quality due to the anticipated reduction in gas flaring.

B. Ground Water

Several drainages occur within the surveyed corridors. The pipeline company may bore underneath eroding drainages to minimize environmental impacts. A typical bore depth is eight feet; however, bore depths may vary based upon landscape position. The pipeline company has committed to implementing erosion control devices as necessary along the proposed alignment to reduce the potential for sediment transport off-site.

C. Land Use

The proposed project area is located within a predominantly rural area; land use consists primarily of grassland (94.1 percent) and developed land (2.9 percent). The proposed project would convert approximately 65 acres of land previously cleared through a NEPA document for installation of an access road and supporting infrastructure to include a gas pipeline corridor. The pipeline would be buried underground and the majority of existing land uses would resume following construction and reclamation activities. Some activities, such as those associated with developed lands, may be restricted within the permanent 50-foot ROW. No mitigation is proposed.

D. Public Health and Safety

The proposed project would provide infrastructure to transport gas from wells to a central facility thereby eliminating flaring of gas at the sites.

Third-party intrusions are one of the biggest contributing factors to spills. To aid in the prevention of such intrusions, the pipeline company would fully comply with the marking requirements specified in 49 CFR 192.707 with regard to the marking of buried pipelines. Specifically, the pipeline operator would place pipeline markers within 1,000 feet of one another, at all public road crossings, railroad crossings, creek crossings, fence crossings, and at all points of major direction change.

The pipeline company would develop a Spill Response Plan for the proposed pipeline. The spill preventative measures and monitoring protocols, notification procedures, spill detection and on-scene spill mitigation procedures, response activities, contacts, training and drill procedures, and response plan review and update procedures, as referenced in the plan, would apply to the proposed pipelines, so long as the pipeline company remains the operator. A copy of the plan would be filed

with the BIA and commitment to adhering to the procedures and requirements as defined by federal law (Title 49 Code of Federal Regulations [CFR] 194).

E. Surface Water

No significant impacts to surface water are expected to result from the proposed pipelines. The proposed projects have been sited to best avoid direct impacts to surface water and to minimize the disruption of drainage patterns across the landscape. Drainage crossings would be constructed within a 24-hour timeframe or operator may choose to bore under the drainages to avoid impacts. Implementation of BMPs to control erosion would mitigate runoff of sediment downhill or downstream.

Two types of valves would be utilized for spill isolation at the end of each pipeline:

- One valve would be installed at the well location.
- One valve would be installed at the proposed tie-in with the Phase 2SE pipeline.

The installation of two valves would allow QEP Energy to isolate the proposed gathering pipelines if required. Based on these mitigation measures, the proposed project is not anticipated to result in measurable increases in runoff or impacts to surface waters.

7 NEPA ADEQUACY CRITERIA

This document has identified six previously prepared NEPA documents: Environmental Assessment for Drilling of MHA 2-01-02H-149-91, MHA 2-07-18H-149-90, and MHA 1-01-02H-149-91 Exploratory Oil and Gas Wells, Fort Berthold Indian Reservation, August 2010; Environmental Assessment for Drilling of MHA 1-33-34H-150-91, MHA 1-32-29H-150-91, MHA 1-04-03H-149-91 and MHA 1-35-36H-149-91 Exploratory Oil and Gas Wells, Fort Berthold Indian Reservation, August 2010; Environmental Assessment for Drilling of MHA 2-05-06H-149-90, MHA 3-05-06H-149-90, MHA 1-11-14H-149-90, and MHA 2-10-15H-149-90 Exploratory Oil and Gas Wells, Fort Berthold Indian Reservation, December 2010; Environmental Assessment for Drilling of MHA 1-05-06H-149-90, MHA 3-05-06H-149-90, MHA 1-09-16H-149-90, MHA 3-09-16H-149-90, MHA 1-04-03H-149-90 and MHA 3-04-03H-149-90 Oil & Gas Wells, Fort Berthold Indian Reservation, February 2011; Environmental Assessment for Drilling of MHA 2-04-03H-149-91 and MHA 4-04-03H-149-91 Oil and Gas Wells on the Independence 4 Well Pad, MHA 3-06-01H-149-92 and MHA 4-06-01H-149-92 Oil and Gas Wells on the Independence 6 Well Pad, and MHA 2-32-29H-150-91 and MHA 4-32-29H-150-91 Oil and Gas Wells on the Independence 32 Well Pad, Fort Berthold Indian Reservation, August 2011; And Environmental Assessment for Drilling of MHA 1-05-04H-148-91, MHA 3-05-04H-148-91, MHA 2-05-04H-148-91, and MHA 4-05-04H-148-91 Oil & Gas Wells, Fort Berthold Indian Reservation, August 2011 which adequately describes the environmental consequences of the newly proposed actions described herein, and meets the following NEPA Adequacy Criteria:

1. The proposed actions are substantially the same actions and at the sites specifically analyzed in the existing NEPA documents.
2. The range of alternatives is reasonable with respect to the current proposed actions in the existing NEPA documents, which appropriately considers and analyzes current environmental concerns, interests, and resource values.
3. The existing analysis and conclusions are adequate in the existing NEPA documents. The analysis is still valid in light of new studies and/or resource assessment information.
4. The methodology and analytical approach used in the existing NEPA documents continues to be appropriate for the proposed actions.
5. The direct and indirect impacts of the proposed actions are unchanged from those identified in the existing NEPA documents.
6. The cumulative impacts that would result from implementation of the proposed actions are unchanged from those analyzed in the existing NEPA documents.
7. A 30-day comment period involving public input and interagency review was used in the development of the existing NEPA documents

Notice of Availability and Appeal Rights

Dakota-3 E&P: Addendum to Seven QEP Energy Company Environmental Assessments for Drilling Exploratory Wells on the Fort Berthold Reservation

The Bureau of Indian Affairs (BIA) is planning to issue administrative approvals related to an Addendum to Environmental Assessment to Authorize Land Use for Seven QEP Energy Company Environmental Assessments for Drilling Exploratory Wells on the Fort Berthold Reservation on the Fort Berthold Reservation as shown on the attached map. Construction by QEP Resources is expected to begin in 2012.

An environmental assessment (EA) determined that proposed activities will not cause significant impacts to the human environment. An environmental impact statement is not required. Contact Earl Silk, Superintendent at 701-627-4707 for more information and/or copies of the EA and the Finding of No Significant Impact (FONSI).

The FONSI is only a finding on environmental impacts – it is not a decision to proceed with an action and *cannot* be appealed. BIA's decision to proceed with administrative actions *can* be appealed until March 30, 2012, by contacting:

United States Department of the Interior
Office of Hearings and Appeals
Interior Board of Indian Appeals
801 N. Quincy Street, Suite 300, Arlington, Va 22203.

Procedural details are available from the BIA Fort Berthold Agency at 701-627-4707.

Project locations.

